

**Crossville Telephone Company**  
**Illinois Universal Service Funding Calculation**  
Based upon ICC Form 23A Report Data for December 31, 2000

<u>Line #</u>	<u>Description</u>	<u>Source</u>	<u>Amount</u>	<u>Adjustment</u>	<u>Adjusted Amount</u>
1	Net Regulated Plant	Form 23A, P 8, Net Plant	\$ 623,067	\$ 268,561	\$ 891,628
2	Materials and Supplies Inventory	Page 2, 13-Month Average	1,496		1,496
3	Customer Deposits	Form 23A, P 8, 4040	1,520	-	1,520
4	ADIT - Regulated Plant	Form 23A, P 8, 4100 + 4340	98,104	-	98,104
5	Rate Base before Working Capital	line 1 + line 2 - line 3 - line 4			793,500
6	Working Capital Requirement				
7	Total Operating Expenses	Form 23A, P 14, Total	466,234	-	466,234
8	Less: Depreciation Expense	Form 23A, P 13, 6560	82,718	6,439	89,157
9	Total WC Operating Expense	line 7 - line 8	383,516	(6,439)	377,077
10	WC OE Requirement	line 9 * 45 / 360			47,135
11	Commission-Ordered Cash Balance Requirement		-	-	-
12	Total Working Capital Requirement	line 10 + line 11			47,135
13	Total Rate Base	line 5 + line 12			840,635
14	Total Operating Revenues	Form 23A, P 11, Total	624,768	-	624,768
15	Less: Illinois High Cost Fund		12,696	-	12,696
16	Net Operating Revenues	line 14 - line 15	612,072	-	612,072
17	Total Operating Expenses	Form 23A, P 14, Total	466,234	-	466,234
18	Other Operating Inc and Exp - Net	Form 23A, P 15, 7100	-	-	-
19	Other Operating Taxes	Form 23A, P 15, 7240	2,218	-	2,218
20	Net Op Inc before Income Taxes	line 16 - lines 17, 18, & 19	143,620	-	143,620
21	Income Tax Expense	line 34			55,637
22	Net Operating Income	line 20 - line 21			87,983
23	Return on Rate Base	line 22 / line 13			10.47%
24	After-tax Cost of Capital				11.21%
25	Target Net Operating Income	line 24 * line 13			94,235
26	Adj to Achieve Target Return on RB	line 25 - line 22			6,252
27	Gross Revenue Conversion Factor	line 35			1.6324
28	ROR Funding Deficiency Including Inc Taxes	line 26 * line 27			10,206
29	Calculation of Income Tax Expense				
30	Net Op Inc before Inc Taxes	line 20			143,620
31	Illinois Inc & Rep Tax Expense	line 30 * 7.18%			10,312
32	Net Op Inc before Fed Inc Tax	line 30 - line 31			133,308
33	Federal Income Tax Expense	line 32 * 34.00%			45,325
34	Total Imputed Income Tax Expense	line 31 + line 33			55,637
35	Gross Revenue Conversion Factor	1 / ((1 - .0718) * (1 - .34))			1.6324

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**Material & Supplies Worksheet and Other Information**

Line #

1	December-99	\$1,496
2	January-00	\$1,496
3	February-00	\$1,496
4	March-00	\$1,496
5	April-00	\$1,496
6	May-00	\$1,496
7	June-00	\$1,496
8	July-00	\$1,496
9	August-00	\$1,496
10	September-00	\$1,496
11	October-00	\$1,496
12	November-00	\$1,496
13	December-00	\$1,496
14	13 Month Average	\$1,496

**Sale/Lease Back Arrangement**
☒

The company does not have any sale(s)/lease back arrangement.

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The company does have sale(s)/lease back arrangement and has provided additional information to staff.

**Lease Agreement with Affiliates**
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The company does not have any lease agreements with affiliates.

☐

The company does have lease agreements with affiliates and has provided additional information to staff.

**Trial Balances**

The Company has provided a copy of its 12/31/2000 trial balance in support of the attached exhibits.

**Crossville Telephone Company**  
**Illinois Universal Service Funding Calculation**  
Based upon ICC Form 23A Report Data for December 31, 2000  
Operating Revenues By Category

<u>Line #</u>		<u>Source</u>	<u>Amount</u>
		Form 23A, P 10, Total Local	
1	Local Revenues	Network Service Revenues	\$ 48,027
2	State Subscriber Line Charges	Trial Balance 12/31/00	\$ 100,823
3	State Access Revenues	Trial Balance 12/31/00	\$ 124,284
4	State High Cost Support	Exhibit 1, Line 15	\$ 12,696
5	State Special Access Revenues	Trial Balance 12/31/00	\$ 28,726
6	Total State Access & Local Revenues	Sum (Ln 1 - 5)	\$ 314,556
7	Federal Subscriber Lines Charges	Trial Balance 12/31/00	\$ 29,205
8	Federal Access Revenues	Trial Balance 12/31/00	\$ 154,841
9	Federal High Cost Support	Trial Balance 12/31/00	\$ 79,344
10	Federal Special Access Revenues	Trial Balance 12/31/00	\$ 7,899
11	Total Federal Access Revenues	Sum (Ln 7 - 10)	\$ 271,289
12	Misc Revenues	Trial Balance 12/31/00	\$ 38,923
13	Total Operating Revenues	Ln 6 + Ln 11 + Ln 12	<u>\$ 624,768</u>